

Membership

SIGMA provided deep analytics to an automotive membership company to increase acquisition and keep retention.

Objective:

A major player in the automotive membership market had a mature direct marketing effort that sends millions of pieces of direct mail and email each year to acquire new members across 14 states. With increased competition and flat response rates to their traditional marketing techniques, they needed some breakthrough approaches to fight the decline in their markets.

Approach:

After building a marketing database with our Insights Portal, an online BI platform, we moved the client from a reliance on constantly outdated sales reporting spreadsheets, to a daily update of their key metrics. They could monitor and manage the spend against geographies and micro-targets. We developed a long-term test & learn plan that regularly tests new hypotheses and creative. They now can take action when response rates falter and need to be boosted with more aggressive offers.

Outcome:

Acquisition Models providing at least \$125,000 in value over previous models. Models and offers to add additional member- raised overall return percent by 40% resulting in 12,000 additional new members annually and \$240,000 incremental revenue. Additional "Win Back" campaigns based on attrition models resulted in an incremental \$149,000 in revenue from additional 6,300 new members (more than twice the number expected from acquisition mailings)

Insights:

Through the use of the Insights Portal, SIGMA's deep analytics into the client's customers helped them identify who would be likely to respond to their offers, who would become the most profitable customers, who would likely add an additional membership to their account, and who would be most likely to cancel. These "nested" predictive models are used to optimize the client's budget spend each month.



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